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TAGS: [PREL](#) [IAEA](#) [KNNP](#) [AORC](#) [MNUC](#) [PARM](#) [IR](#)
SUBJECT: IAEA/IRAN: SEEKING A UNIFIED EU3+3 APPROACH IN
VIENNA

Classified By: Ambassador Gregory L. Schulte for reasons 1.4 b and d.

Summary and Comment

11. (S) Ambassador Schulte called a meeting of EU3 3 Ambassadors on January 13 to solicit input on how to overcome Iran's current "blockage" of its nuclear file at the IAEA. The EU3 and U.S. counseled against allowing the upcoming March Board to be another replay of do-nothing September and November Board sessions even as the DG continues to report the lack of any progress in the IAEA investigation. Germany and the UK made a strong push for a unified EU3 3 message at the March Board, whether in the form of a joint statement or a resolution. Failure to do anything again, the EU3 and U.S. argued, would send the wrong message to Tehran and undermine the credibility and capacity of the IAEA to implement safeguards in Iran and elsewhere. As expected, Russia and China maintained that any movement on the Iran nuclear issue will come only from EU3 3 political engagement and moves by the new U.S. administration, and again counseled "flexibility" and "patience." They acknowledged that cooperation with the IAEA was important but did not see action in Vienna as "the key" to extracting such cooperation. The EU3 and U.S. insisted that Vienna nevertheless had an important role to play and made several suggestions for joint action: common talking points for use with the Secretariat, a demarche in advance of the DG report, and an EU3 3 statement at the Board (since Russia continues to see no utility in a Board resolution.) France also revisited the proposal for a third EU3 3 experts meeting in Vienna after the release of the DG report, but Russia and China requested clarification of the agenda and scope before committing. It was clear that Russian and Chinese Missions in Vienna are not prepared to be proactive absent marching orders from their PolDirs, and are content to play the waiting game. They will look to the possible early February PolDirs meeting in Berlin to help delineate our approach at the IAEA Board. End Summary and Comment.

EU3 1: March Board Should Not Be a Reenactment

12. (S) In opening the meeting, Ambassador Schulte underlined the value of close EU3 3 consultations in Vienna, as elsewhere, and solicited views on how to break the current "stalemate" or, more appropriately, Iran's blockage of the IAEA investigation. Since September the DG had reported no progress on any front, clarification of possible military dimensions (PMD) or implementation of the AP or Code 3.1

modified, a situation wholly attributable to Iran's noncompliance. Iran was only allowing the IAEA to implement "bare bones" safeguards on declared nuclear material in Iran, which has the effect of allowing the IAEA to document continued violation of UNSCR demands for suspension at Natanz. The EU3 3 in Vienna could not accept or ignore this situation, Ambassador Schulte cautioned, and should send a message to Tehran to cooperate and support the IAEA investigation. The March Board meeting would be the first of the Obama Administration, and he flagged Secretary-designate Clinton's statement to Congress promising tough, aggressive and direct diplomacy.

¶3. (S) The EU3 shared U.S. concerns about accepting this "classic stalemate." Since the September Board, UK Ambassador Smith recounted how it had been exactly the same narrative with the DG reporting nothing new besides enrichment levels at Natanz. The DG and Secretariat seem poised to say "We can go no further" in the investigation. Smith warned that another replay of the November Board, with the same response from the Board, would send a worrying signal, and damage confidence in the capacity of the Agency to deal with similar issues in the future. He further regretted that the Board had chosen not use "the levers" or instruments at its disposal, i.e. that efforts for a resolution did not make headway among the EU3 3, to support the Agency. German Ambassador Ludeking, who had shepherded resolution efforts in September and November, seconded UK views on repeating this situation in March, and just "going through the motions" of national, EU and EU3 statements. Ludeking suggested trying something new, such as an EU3 3 statement, to relay a unified message to Tehran. In a recent

conversation, Iranian Ambassador Soltanieh had given Ludeking the impression that he expected no news and nothing to come of the March Board, the implication being that we need to do something to increase Iranian discomfort with the situation in Vienna.

¶4. (S) Anticipating Russia and China's usual emphasis on the EU3 3 political track with Iran, the UK and Germany argued that the political track did not absolve the need for Board action in Vienna. Smith fully acknowledged the importance of political engagement and the Obama Administration's promised new approach on Iran. However, it was too limiting to say, as the DG was prone to do, "there is nothing the Agency can do," and to rely entirely on a shift in the political dynamic. Citing German FM Steinmeier's open letter to President-elect Obama, Ludeking underlined that welcoming dialogue did not entail granting concessions on non-negotiable issues such as a nuclear-armed Iran. Although diplomatic activity outside Vienna may be more decisive, he warned that continued silence in Vienna would undermine multilateralism and the Agency's credibility. Ludeking also noted that the usual appeal for "patience" (on the part of Russia and China) was wearing thin.

Russia and China: Vienna is Not the Key

5.(S) Chinese Ambassador Tang welcomed the new U.S. approach, including the possibility of direct talks with Iran, and still saw opportunities for the resumption of negotiations, urging his EU3 3 counterparts to maintain "patience, confidence and flexibility." He cited the Cooper-Bagheri meeting in Vienna in December as evidence that the Iranian side was thinking about the views of the Six. China was also urging Iran bilaterally to consider EU3 3 proposals and to continue cooperation with the IAEA, including clarification of outstanding issues to restore confidence. Tang suggested that we continue to push forward and hope for progress but made no commitment to any Vienna-based action.

¶6. (S) Russian Ambassador Zmeyevsky fully shared China's view of sticking to the path of dialogue and counseled EU3 3 "flexibility" even if "patience" is wearing thin for some. Russia agreed with EU3 3 counterparts on the need for Iran's full cooperation with the IAEA but argued that it would be

"nave" to think the key to the problem is in Vienna. We need a new approach, and new political moves, he said, quoting from President-elect Obama that engagement is the place to start. Iran was also waiting for these new political moves and we will need to gauge their reaction. As to Vienna, Zmeyerovsky saw no need for a new Board resolution and did not think one would help. The EU3 3 should continue to do our best in Vienna to persuade Iran, but should also recognize that Iran is waiting for the new U.S. administration and we should wait also. Taking a longer perspective than the last few months, he recalled that there was a time when there were many more outstanding issues in the IAEA investigation, but many have been resolved. For further progress in Vienna, Russia insisted, "we need big moves elsewhere."

EU3 1: We Must Do Something in Vienna

17. (S) The EU3 responded that Vienna may not be the key, but has a role to play. French Ambassador Deniau attempted to bring the discussion back to "the facts," noting the escalation in uranium enrichment at Natanz in the last 15 months. All of the Solana contacts had reaped "zero" result, he observed, allowing Iran to buy more time. France supported the use of all Secretariat and Board instruments, and further noted that if dialogue recommences, Iran must still abide by UNSC and Board resolutions. As to the current stalemate, Iran was using the pretext of "completion" of the IAEA's work plan in Iran, a plan the EU had not endorsed, to do nothing. It was time, Deniau stressed for the Agency "to call a spade, spade" on Iran's failure to cooperate. Not implementing Code 3.1 modified, in particular, was a clear breach of compliance and a damaging example to others. France also suggested that a third EU3 3 experts meeting be convened in Vienna after the release of the next IAEA DG report in late February. The meeting might take place before or after the March Board, but should not occur before the

pending DG's report. Russia and China did not exclude this idea, but requested clarification as to the agenda and scope of such a meeting so as to invite appropriate experts.

18. (S) Exasperated by Russia and China's stance, Ludeking registered disappointment if the EU3 3 is heading toward another repeat of the September and November Boards. Germany attached importance to the EU3 3, which he stressed must also play its role in Vienna. A Board resolution would be the "natural" course, or he suggested an EU3 3 statement focused on Vienna issues - the need for Iran to clarify outstanding issues, provide more transparency and implement Code 3.1 - that was forceful and clearly spelled out. The UK likewise argued that Vienna may not be the center of the universe but Board members have a responsibility to protect IAEA authority. Smith noted that there is a risk of the Agency being incapable of anything beyond routine implementation of safeguards. In the run-up to the Board, he suggested an EU3 3 approach to influence the tenor of the DG report prior to its release, to get the DG to "call a spade a spade" and to give assurance of more vigorous EU3 3 support. DCM added that the EU3 3 should focus on two audiences, Tehran and the IAEA Secretariat, where he noted that the Safeguards Department was besieged by those in the IAEA who were not prepared to "call a spade a spade." As to Tehran, given the history of missed signals with Washington, it was important for others to also send the right message that Tehran cannot hope to sidestep its obligations at the IAEA.

19. (S) Summing up, Ambassador Schulte acknowledged that outside developments would have an impact on Vienna, but also urged that the EU3 3 here to not lose sight of its task in Vienna. The question was how to effect a change in the IAEA Board dynamic and express our views before, during and after the March Board. He outlined three risks if the March Board becomes another iteration of September and November: sending the message to Iran that we accept the "stalemate;" risk to the efficacy of the IAEA as an institution and to the safeguards system and, finally, the risk of an ineffective

Board undercutting a new U.S. Administration's desire for effective multilateralism.

Next Steps

¶10. (S) Although there was no agreement on next steps in the Board, Missions here will continue to consider several ideas for EU3 3 action -- a common set of talking points for discussion with the Secretariat, a possible joint demarche in advance of the Board, and an EU3 3 statement at the Board. France will circulate a proposed agenda for topics at a possible experts meeting. The EU3 are particularly concerned that DG ElBaradei may be tempted to water down his next report rather than "call a spade a spade" so as give greater impetus to the diplomatic track. At the same time, pressing ElBaradei's "valedictory" button and the prospect of leaving the Iran file frozen at the end of his tenure may persuade him otherwise.

¶11. (S) France also noted that PolDirs were planning to meet in Germany in February, and suggested that the EU3 3 seek clarification as to what was expected of them in Vienna. Germany urged that we do something different in Vienna to change the dynamics here. Russia cautioned that the EU3 3 propose something concrete to PolDirs while China advised in Vienna will not be proactive and will do nothing absent marching orders from their PolDirs.
SCHULTE